

ARTICLE APPEARED
ON PAGE 15

NEWSWEEK
7 JUNE 1982

PERISCOPE

A Foundation for Democracy?

President Reagan is considering a plan that would enable the United States to funnel money legally to its friends abroad. A government-supported private foundation would be created to provide financial backing to politicians, labor leaders and other public figures who are fighting for reforms such as free elections and freedom of speech. Proponents of the plan argue that such aid would be more cost effective than traditional military and economic grants and would not politically link Washington to unpopular dictators. (U.S. law now prohibits the government from helping foreign politicians, but the CIA routinely provides covert aid to friendly leaders.) Reagan may unveil the plan next week in his speech to the British Parliament.